

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-20475A

Watco, Inc.  
PO Box 364  
Overgaard, AZ 85933

RECEIVED

APR 16 2015

ACC UTILITIES DIRECTOR

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

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**ANNUAL REPORT**  
**Water**

FOR YEAR ENDING

12	31	2014
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FOR COMMISSION USE

ANN 04	14
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4-22-15

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> _____ <u>Watco, Inc.</u> _____		
<b>Mailing Address</b> _____ <u>PO Box 364</u> _____		
Overgaard (City)	AZ (State)	85933 (Zip)
928-537-8739	N/A	N/A
<b>Telephone No. (Include Area Code)</b>	<b>Fax No. (Include Area Code)</b>	<b>Cell No. (Include Area Code)</b>
<b>Email Address</b> _____ <u>watercos@gmail.com</u> _____		
<b>Local Office Mailing Address</b> _____ <u>Same as Above</u> _____		
(City)	(State)	(Zip)
<b>Local Customer Service Phone No. (Include Area Code)</b> _____ <b>(1-800 or other long distance Customer Service Phone No.)</b> _____		
<b>Email Address</b> _____ <u>N/A</u> _____ <b>Website address</b> _____		

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b> _____ <u>Thomas Grapp</u> _____ <u>PO Box 364, Overgaard, AZ 85933</u>		
<input type="checkbox"/> <b>Management Contact:</b> _____ <u>Paul Juhl</u> _____ <u>Southwestern Utility Management</u>		
PO Box 85160 (Street)	Tucson (City)	AZ (State)
520-623-5172	520-792-0377	(Title) 85754 (Zip)
<b>Telephone No. (Include Area Code)</b>	<b>Fax No. (Include Area Code)</b>	<b>Cell No. (Include Area Code)</b>
<b>Email Address</b> _____ <u>info@southwesternutility.com</u> _____		
<b>On Site Manager:</b> _____ <u>Bryan Mullins</u> _____		
(Street) Same as Above	(City) Same as Above	(State) Same as above
<b>Telephone No. (Include Area Code)</b> _____ <b>Fax No. (Include Area Code)</b> _____ <b>Cell No. (Include Area Code)</b> _____		
<b>Email Address</b> _____ <u>watercos@gmail.com</u> _____		

<b>Statutory Agent:</b> <u>Mark Grapp</u>			
PO Box 364	(Name) Overgaard	AZ	85933
(Street)	(City)	(State)	(Zip)
928-535-8739	N/A		N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No.	
	(Include Area Code)		
<b>Attorney:</b> <u>N/A</u>			
N/A	(Name) N/A	N/A	N/A
(Street) N/A	(City) N/A	(State) N/A	(Zip) N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Area Code)			
<b>Email Address</b> <u>N/A</u>			

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |  |   |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)     | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)      | <input type="checkbox"/> Association/Co-op (A)                            |
| <input type="checkbox"/> Receivership (R)    | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe)    |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE            | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA              | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ            | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |                                   |                                   |

COMPANY NAME	Watco, Inc.	
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**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,542	0	1,542
302	Franchises	7	0	7
303	Land and Land Rights	27,094	0	27,094
304	Structures and Improvements	47,958	12,233	35,725
307	Wells and Springs	48,807	32,389	16,418
311	Pumping Equipment	44,821	44,425	396
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
330	Distribution Reservoirs and	0	0	0
330.1	Storage Tanks	74,796	15,724	59,072
330.2	Pressure Tanks	46,800	30,706	16,094
331	Transmission and Distribution Mains	1,101,680	452,659	649,021
333	Services	96,409	66,814	29,595
334	Meters and Meter Installations	25,967	25,532	435
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computers & Software	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	<b>TOTALS</b>	<b>1,515,881</b>	<b>680,482</b>	<b>835,399</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME	Watco, Inc.	
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**WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization	1,542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27,094	0	0
304	Structures and Improvements	47,958	3.33	1,597
307	Wells and Springs	48,807	3.33	1,625
311	Pumping Equipment	44,821	12.5	5,603
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0
330.1	Storage Tanks	74,796	5	3,740
330.2	Pressure Tanks	46,800	5	2,340
331	Transmission and Distribution Mains	1,101,680	2	22,034
333	Services	96,409	3.33	3,210
334	Meters and Meter Installations	474	8.33	39
335	Hydrants	0	0	
336	Backflow Prevention Devices	0	0	
339	Other Plant and Misc. Equipment	0	0	
340	Office Furniture and Equipment	0	0	
340.1	Computers & Software	0	0	
341	Transportation Equipment	0	0	
343	Tools, Shop and Garage Equipment	0	0	
344	Laboratory Equipment	0	0	
345	Power Operated Equipment	0	0	
346	Communication Equipment	0	0	
347	Miscellaneous Equipment	0	0	
348	Other Tangible Plant	0	0	
	SUBTOTAL	1,490,388	N/A	40,188
	LESS CIAC Amortization			0
	TOTALS *	1,490,388		40,188

\*This amount goes on the Comparative Statement of Income and Expense Acct. No. 403

COMPANY NAME	Watco, Inc.	
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**WATER UTILITY BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ (20,887)	\$ (3,061)
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	7,369	9,988
146	Notes/Receivables from Associated	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ (13,518)</b>	<b>\$ 6,927</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,513,712	\$ 1,515,881
103	Property Held for Future Use	0	
105	Construction Work in Progress	0	
108	Accumulated Depreciation - Utility Plant	640,294	680,482
121	Non-Utility Property	0	
122	Accumulated Depreciation - Non Utility	0	
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 873,418</b>	<b>\$ 835,399</b>
	<b>TOTAL ASSETS</b>	<b>\$ 859,900</b>	<b>\$ 842,326</b>

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME	Watco, Inc.	
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**WATER UTILITY BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	7,037	7,037
234	Notes/Accounts Payable to Associated Companies	0	
235	Customer Deposits	10,945	3,095
236	Accrued Taxes	0	
237	Accrued Interest	7,511	2,135
241	Miscellaneous Current and Accrued Liabilities	0	
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 25,493	\$ 12,267
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 69,395	\$ 65,676
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	1,003,656	1,003,656
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1,003,656	\$ 1,003,656
	<b>TOTAL LIABILITIES</b>	\$ 1,098,544	\$ 1,081,599
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	(238,644)	(239,273)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	<b>TOTAL CAPITAL</b>	\$ (238,644)	\$ (239,273)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 859,900	\$ 842,326

COMPANY NAME	Watco, Inc.	
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**WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 177,887	\$ 171,298
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1,000	1,250
	<b>TOTAL REVENUES</b>	<b>\$ 178,887</b>	<b>\$ 172,548</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 53,607	\$ 74,299
610	Purchased Water	0	0
615	Purchased Power	10,849	10,574
618	Chemicals	0	0
620	Repairs and Maintenance	11,525	1,754
621	Office Supplies and Expense	5,049	6,070
630	Outside Services	17,769	17,357
635	Water Testing	240	900
641	Rents	11,679	11,086
650	Transportation Expenses	2,418	8,605
657	Insurance - General Liability	1,582	1,763
659	Insurance - Health and Life	948	992
666	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense	42,217	40,188
408	Taxes Other Than Income	10,725	9,674
408.11	Property Taxes	2,384	7,887
409	Income Tax	0	0
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 170,992</b>	<b>\$ 191,149</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 7,895</b>	<b>\$ (18,601)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(139)	(5,949)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 7,756</b>	<b>\$ (24,550)</b>

<b>COMPANY NAME</b>	Watco, Inc.	
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
<b>Date Issued</b>	06/26/2008			
<b>Source of Loan</b>	WIFA			
<b>ACC Decision No.</b>	70055			
<b>Reason for Loan</b>	Infrastructure			
<b>Dollar Amount Issued</b>	\$ 600,000			
<b>Amount Outstanding</b>	\$ 69,395			
<b>Date of Maturity</b>	06/26/2028			
<b>Interest Rate</b>	1.9			
<b>Current Year Interest</b>	\$ 1,286			
<b>Current Year Principle</b>	\$ 3,719			

**Meter Deposit Balance at Test Year End** \$ 319

**Meter Deposits Refunded During the Test Year** \$ 464

<b>COMPANY NAME</b>		Watco, Inc.	
<b>Name of System:</b>	Same as Above	<b>ADEQ Public Water System Number:</b>	09049

**WATER UTILITY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	538	8	2	1964
55-506606	5	31	440	6	2	1983

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A
N/A	N/A	N/A

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	7	1	N/A

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	1
25,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

<b>COMPANY NAME</b>		Watco, Inc.	
<b>Name of System:</b>	Same as Above	<b>ADEQ Public Water System Number:</b>	09049

**WATER UTILITY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	AC & PVC	33,872
5		
6	PVC	9,206
8	PVC	1,700
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	339
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

N/A

**STRUCTURES:**

12' X 30' Building

20' X 20' Building

**OTHER: N/A**

**Note: If you are filing for more than one system, please provide separate sheets for each system.**

<b>COMPANY NAME</b>	Watco, Inc.		
<b>Name of System:</b>	Same as Above	<b>ADEQ Public Water System Number:</b>	09091

**WATER UTILITY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-901337	7.5	60	465	8	3	2004

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A
N/A	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	1	22	N/A
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
120,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

<b>COMPANY NAME</b>	Watco, Inc.	
<b>Name of System:</b>	Same as Above	<b>ADEQ Public Water System Number:</b> 09091

**WATER UTILITY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	PVC	1,494
8	PVC	13,030
10		
12	PVC	1,427

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	5
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

N/A

**STRUCTURES: 18' X 24' Building**

**OTHER:**

N/A

**Note: If you are filing for more than one system, please provide separate sheets for each system.**

COMPANY NAME:	Watco		
Name of System:	Same as Above	ADEQ Public Water System Number:	09049

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	271	959	1119	0
FEBRUARY	272	801	925	0
MARCH	276	809	945	0
APRIL	277	932	1067	0
MAY	278	1120	1325	0
JUNE	276	1339	1492	0
JULY	281	1571	1712	0
AUGUST	281	1361	1556	0
SEPTEMBER	283	1035	1222	0
OCTOBER	283	951	1091	0
NOVEMBER	283	986	1137	0
DECEMBER	283	911	1132	0
<b>TOTALS →</b>		12,775	14,723	0

What is the level of arsenic for each well on your system? See Below mg/l  
*(If more than one well, please list each separately.)*

POE#1 <.001 POE#2 <.001

If system has fire hydrants, what is the fire flow requirement? N/A PM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously? ( ) Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)? ( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? ( ) Yes (X) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Watco			
Name of System:	Same as Above	ADEQ Public Water System Number:	09091

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	4	9	31	0
FEBRUARY	4	7	0	0
MARCH	4	9	13	0
APRIL	4	9	13	0
MAY	4	31	28	0
JUNE	4	20	42	0
JULY	4	23	41	0
AUGUST	4	21	41	0
SEPTEMBER	4	14	13	0
OCTOBER	4	15	27	0
NOVEMBER	4	22	40	0
DECEMBER	4	14	13	0
<b>TOTALS →</b>		194	302	0

What is the level of arsenic for each well on your system? < .002 mg/l  
*(If more than one well, please list each separately.)*

POE#1 <.001 POE#2 <.001

If system has fire hydrants, what is the fire flow requirement? N/A PM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously? ( ) Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)? ( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? ( ) Yes (X) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Watco, Inc.

Name of System: Same as Above

ADEQ Public Water System Number: 09049, 09091

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	7	0
FEBRUARY	0	0	0
MARCH	0	2	0
APRIL	0	1	0
MAY	0	4	0
JUNE	0	3	0
JULY	0	2	0
AUGUST	0	8	0
SEPTEMBER	0	6	0
OCTOBER	0	6	0
NOVEMBER	0	9	0
DECEMBER	0	0	0
TOTALS →	0	48	0

OTHER (description): N/A

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COMPANY NAME Watco, Inc. YEAR ENDING 12/31/2014

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2014 was: \$ 7,887

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 16 2015

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY N)	Navajo
NAME (OWNER)	Thomas Grapp Vice President of Operations
COMPANY NAME	Watco, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

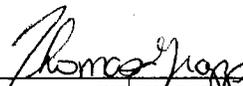
MONTH	DAY	YEAR
12	31	2014

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

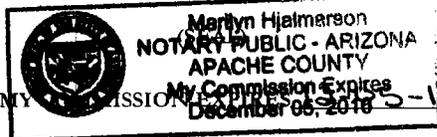
  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
928-537-8739  
\_\_\_\_\_  
TELEPHONE NUMBER

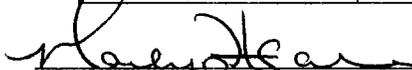
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 DAY OF

COUNTY NAME	Apache	
MONTH	April	2015



  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

RECEIVED  
 APR 16 2015  
 ACC UTILITIES DIRECTOR

VERIFICATION  
 AND  
 SWORN STATEMENT  
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
 OF THE

COUNTY OF (COUNTY NAME)	Navajo
NAME (OWNER OR OFFICIAL)	Thomas Grapp Vice President of Operations
COMPANY NAME	Watco, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>172,547.75</u>

(THE AMOUNT IN BOX ABOVE  
 INCLUDES \$ 9,673.87  
 IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Thomas Grapp  
 SIGNATURE OF OWNER OR OFFICIAL  
 928-537-8739  
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
 A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Apache	
MONTH	April	2015

THIS 14 DAY OF April  
Marilyn Hjalmarson  
 NOTARY PUBLIC - ARIZONA  
 (SEAL APACHE COUNTY)  
 My Commission Expires  
 December 05, 2018  
 MY COMMISSION EXPIRES 12-05-18

Marilyn Hjalmarson  
 SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

RECEIVED  
APR 16 2015  
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Navajo	
NAME (OWNER OR OFFICIAL) Thomas Grapp	TITLE Vice President of Operations
COMPANY NAME Watco, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>172,547.75</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 9,673.87 IN SALES TAXES BILLED, OR COLLECTED)

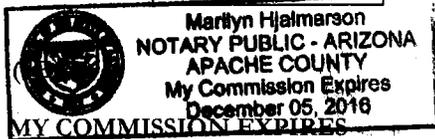
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*Thomas Grapp*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
928-537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 14 DAY OF

NOTARY PUBLIC NAME <i>Marilyn Hjalmarson</i>	
COUNTY NAME Apache	
MONTH April	YEAR 2015



*Marilyn Hjalmarson*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC